

## **REMARKS**

Entry of this Amendment and reconsideration are respectfully requested in view of the amendments made to the claims and for the remarks made herein.

Claims 1-12 are pending. Claims 1-4, 7, and 10-12 stand rejected. Claims 5, 6, 8 and 9 are objected to, but would be allowable if rewritten in independent form.

Claims 1, 6 and 10 have been amended. No new matter has been added. Claim 5 has been cancelled.

Applicant thanks the examiner for the indication of allowable subject matter in claims 5, 6, 8 and 9 and has amended independent claims 1 and 10 to include the subject matter recited in claim 5. Applicant believes that the claims as amended are in a form consistent with the examiner's indication of allowable subject matter.

Claims 1, 10, 11 and 12 stand rejected under 35 USC §102(a) as being anticipated by Lin (3D Listless Zerotree Coding for Low Bit Rate Video).

Applicant respectfully disagrees with, and traverses, the reason for rejecting the claims. However, in the interest of advancing the prosecution of this matter, independent claims 1 and 10 have been amended to contain the subject matter recited in claim 5, which has been indicated to be in an allowable form.

Having amended the independent claims in a manner to comport to the examiner's indication of allowable subject matter, applicant submits that the reason for the rejection has been overcome. Applicant respectfully requests that the rejection be withdrawn.

With regard to claims 11 and 12, these claims depend from claim 10, which has been shown to be allowable over the cited reference. Accordingly, claims 11 and 12 are also allowable over the cited reference by virtue of their dependence from an allowable base claim.

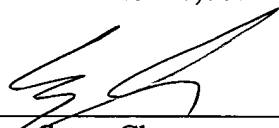
Claims 2-4 and 7 are rejected under 35 USC 103(a) as being unpatentable over Lin in view of Tham ("Highly Scalable Wavelet-Based Video Codec for Very Low Bit-Rate Environment").

Claims 2-4 and 7 ultimately dependent from claim 1, which has been shown to include subject matter not disclosed in, and hence, patently distinguishable over the Lin reference. Tham fails to cure the defect in the Lin reference. Accordingly, claims 2-4 and 7 are also allowable by virtue of their dependence from an allowable base claim.

For all the foregoing reasons, it is respectfully submitted that all the present claims are patentable in view of the cited references. A Notice of Allowance is respectfully requested.

Respectfully submitted,

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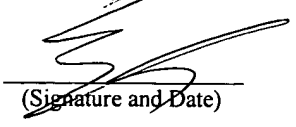
Date: July 27, 2005

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